

# Agriculture Negotiations : Modalities and beyond.....



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## « A Developing Country Position and Perspective »

by

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# A developing country.....

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- Introduction.
- Chairman's First Draft – 17 February.
- Mixed views on –
  - NGOs
  - EC
  - Members
  - Financial Times
- My comments are from **a Developing Country** perspective.



# Interlinkage – Market Access and other Two Pillars

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Many developing countries -

- Undertaken autonomous liberalization.
- Tariff is the only boarder measure.
- Low bound tariff levels.
- Not market distorters.
- Market access commitments should commensurate with reduction commitment in other pillars.



## Market Access

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- Positive side
  - Reduction from bound tariff.
  - Acceptance of concept of strategic product (SP) - 10% reduction.
  - Proposed SP products should be exempted from reduction.
  - De-link from SSM.
  - If, a reduction to apply, should be for over 120% tariff lines.
  - Full liberalization of tropical products.
  - Should not be a “best endeavour clause” &
  - Should be a binding commitment.



# Tariff Reduction Formula

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- Recognize high tariff be reduced and need to harmonize (over 90% and 120% with higher reduction rate).
- 20% and 120% subject to same treatment seem unfair.
- 20% subject to minimum of 23%.
- Below 20% subject to minimum of 17%-need to have minimum tariff.
- Should create a new band between 20% and 120% to achieve equity.
- Is 10 Year implementation period reasonable?.



# Special Safeguard Mechanism

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- Para 24 – 25 - SP products eligible to Art 5 of AoA.
- SP subject to 10% reduction not eligible, de-link from SSM.
- Products already covered with SSG will qualify for SSM.
- Anomaly ? Inequity to perpetuate (Guatemala 107, Costa Rica 87, Columbia 56, Mexico 293)
- Does not address the concerns of those who asked for a SSM.
- Countries with lower bound should be able to use.
- Article 5 ineffective, inflexible.
  - When will the review be completed ?
- Can developing countries undertake commitments without a decision on the type of SSM.



# EXPORT COMPETITION

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- Export subsidies –
  - Elimination would go in line with Doha Mandate.
  - Time frame appears to be too long, as developing countries are asked to reduce tariff over the same period.
  - Reduction commitments should be undertaken on disaggregated or product specific basis.
  - Only 23 developed and 9 developing countries have the right to provide subsidies.
  - Hence S & D provision of little interest.
  - Proposal to maintain Art 9.4 for transport and marketing - Art.9.1 D & E is positive.
  - Exports subsidies and its link to Marrakesh decision.



## Export - Credit

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- Special provision made for export financing programme for developing countries.
- Special provisions for financing of basic food stuffs imported by NFIDCs.
- For most products 180 days maximum credit suggested.
- At least 30 months should be given to NFIDCs





## FOOD AID

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- Propose to substitute Art 10.4 with a new article-should be a broader concept.
- Should look at from recipient's point of view as well.
- Food aid in the form of untied financial grant for purchase of food.
- Food aid is in fully grant from.
- Establishing a link with Article 18.6 and FAO surplus disposal consultative obligations and UMR to ensure compliance is positive.



# DOMESTIC SUPPORT

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- The general framework is preserved.
- Specific and targetted modifications to green box.
- Green box expanded to include environmental and conservation programmes.
- Under S & D
  - Flexibility for some programmes (Green box).
    - Domestic support for production of staple products.
    - Payment to small scale farmers – rural viability, cultural heritage.
  - De-minimis exemption upto 10 per cent maintained.



## Art. 6.2 Special Provisions for Developing Countries

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- Proposes to expand Art. 6.2
- Recognition of low income resource poor farmers is important (LIRPF)
- There are many programmes proposed to cover problems related to LIRPF eg. Capacity building measures..... Risk management of agri products.....Marketing supporting programmes etc.
- Some resemble Green box programmes (conservation – para 12 annex 2 - environmental programme).
- Lack of financial resources is the main concern.
- Article 6.2 measures should be protected from SCM measures.



# SUMMARY

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- The target tariff reduction for developing countries ambitious.
- Concerns on reduction in lower bound tariffs should be addressed.
- Concept of SP should be translated to effective measures.
- Need for effective and flexible safeguard mechanism.
- Cannot draft schedules until new SSM has been developed.
- Article 6.2, amendments are important – should be protected from SCM.
- Expansion of Green box measures under S & D treatment for developing countries is recognized.